

VA Grant & Per Diem

Fiscal Year 2022
Capital Grants

Grant Recipient Guide

VA



U.S. Department
of Veterans Affairs

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VA Grant & Per Diem (GPD) National Program Office

Contact Information

General Operational Questions: GPDGrants@va.gov

Fiscal Questions: GPDFiscal@va.gov

VA Office of Construction and Facilities Management: VACOCFMGPDCapitalGra@va.gov

GPD Program Staff

Jeffery Quarles, Director

Chelsea Watson, Deputy Director

Elizabeth Whittington, Program Analyst

Yvette Green, Auditor

Janine Griggs, Clinical Program Specialist

Erin Johnson, Clinical Program Specialist

Coral Baker, Financial Management Specialist

Sharon Wilkerson, Administrative Officer

GPD Resources

GPD National Site: <https://www.va.gov/HOMELESS/GPD.asp>

GPD Provider Site: https://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp

GPD Fiscal Site: https://www.va.gov/HOMELESS/GPD_Fiscal.asp

GPD Provider Training Site: https://www.va.gov/HOMELESS/GPD_Provider_Training.asp

Overview

Congratulations on a successful GPD capital grant award! This guide intends to give capital grant recipients (grantees) and VA staff a basic understanding of the capital grant award, the operational and regulatory framework, payment and grant close-out processes, and performance metrics.

The information in this guide is to be used for reference and general guidance. It does not supersede any national GPD regulations, other statutes, or governing laws. GPD grantees are still required to be aware of and comply with any federal, state, or local laws. Links to the GPD regulations—as well as other relevant regulatory and statutory guidance—may be accessed at www.va.gov/homeless/gpd.asp and https://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp.

Please review these main points:

- **Fiscal year (FY): The federal FY runs annually from October 1 through September 30. Grant reporting also coincides with this schedule**
- **Capital grants have many regulatory and documentation requirements**
 - Please thoroughly review this guide, [GPD regulations 38 CFR 61](#), and the Notice of Funding Opportunity (NOFO) under which the grantee applied
- **Capital projects must conform to the NOFO's specifications, and GPD beds improved under this capital grant must be in private rooms including the following characteristics:**
 - The minimum square footage for the private bedroom and private bathroom combined equals 120 square feet
 - The bedroom and bathroom do not need to be attached, in which case, the walkway would not usually count toward the square footage calculation
 - The bathroom must include shower and/or tub, sink, and toilet
 - Bedroom nor bathroom facilities must not be shared (e.g., no shared sink area outside the toilet room)
 - Walls must go floor-to-ceiling
 - Partial walls in rooms are not acceptable
 - Rooms must have a door and not involve unauthorized passage through another dwelling unit
- **These are the steps to draw capital grant funds (receive payments), close out the grant, and become operational:**
 - 1) Ensure the grantee's account is set up in [Health and Human Services, Division of Payment Management System](#)
 - 2) Work with the [VA Office of Construction and Facilities Management \(CFM\)](#) to get necessary environmental approvals
 - 3) [Draw funds for cost incurred](#)
 - *Advances are only authorized for acquisition and must be expended within three business days/intent for immediate use*

- 4) [Close out the capital grant](#) and complete the SF 425
 - 5) Successfully complete a VA-lead [capital grant inspection](#), and a full VA GPD annual inspection if the location has never been used as a GPD facility before
 - 6) [Maintain active per diem only](#) (PDO) grant for duration of recovery period, continue PDO through option year renewals, and successfully reapply for future PDO grant rounds
- **Capital projects are expected to be finished with in 18-24 months from the award start date**
 - October 1, 2021 is the award start date for capital grants funded with CARES Act funds
 - The award date for capital grants funded through the American Rescue Plan will be later announced (estimated May 2022)
 - Recovery provisions start effective [the date of activation](#)
 - **Grantees who do not maintain PDO occupancy levels are subject to a reduction in authorized beds, a reduction in funding, or a termination of the transitional housing grant**
 - GPD liaison(s) & VISN Network Homeless Coordinator (NHC): A GPD liaison is the local VA Medical Center (VAMC) point-of-contact responsible for the oversight and monitoring of all GPD grants. Grantees must communicate clearly with the GPD liaison about any relocation plans during the capital phase of the grant, continuity of PDO services, accepting referrals and continuing admissions
 - The NHC may also be involved with areas of grant compliance and operations
 - **Grantees may have written statements in their grant application that conflict with GPD regulations. the grantee would be required to follow the regulatory requirements regardless of any statements in the grant application**
 - Grantees should [monitor the provider website monthly](#) for updates and technical assistance

We hope this framework will be helpful.

Expectations, Operational Framework, and Grant Compliance

Background and Noticing of Funding Opportunity (NOFO)

In response to the President's March 2020 National Emergency declaration related to COVID–19, VA announced the availability of capital grants to increase safety and reduce risk for Veterans in GPD transitional housing. Risks posed to vulnerable populations from public health concerns like the coronavirus show a need to increase safety in GPD transitional housing.

GPD capital grants support acquisition, construction, or rehabilitation of real property used for GPD transitional housing facilities. Funds provided are not to support per diem costs, services costs, or the cost of operating transitional housing beds for Veterans.

This funding will allow current GPD grantees to improve the transitional housing, resulting in more individual unit-style dwellings and fewer congregate spaces. Capital grant funds will support the improvement of personal safety for Veterans, reduce health risks associated with close-quarters living, and increase the availability of individual unit-style transitional housing. GPD grantees will continue to transform transitional housing programs and meet the challenges local communities face when providing safe spaces for Veterans experiencing homelessness.

Operational Framework & Expectations

In general, grantees are expected to operate within the GPD framework in the following ways:

- Establish grant and fiscal accounting procedures compliant with all applicable federal and local regulations
- Visit the [GPD Provider Website](#) monthly for program updates
- Attend monthly GPD webinars and technical assistance trainings
 - **For GPD grantees:** Monthly grantee webinars are scheduled on the second Tuesday of each month at 2pm Eastern
 - A calendar invitation with the meeting information will be sent to the designated GPD grantee's point of contact
 - The GPD National Program Office expects a representative from the grantee's agency to attend each month
 - **For VA staff:** Monthly webinars internal to VA employees are scheduled on the second Wednesday of each month at 1pm Eastern
 - Please ask the GPD National Program Office a calendar invitation
 - The GPD National Program Office expects VA liaisons to attend monthly
 - NHCs and other VA Homeless Programs staff are welcome to attend
- Understand and monitor allowable grant costs as stipulated by Office of Management and Budget (OMB) Uniform Guidance for Grants (2 CFR part 230), the GPD National Program Office, and/or 38 CFR 61.66 (also see the GPD fiscal website: https://www.va.gov/HOMELESS/GPD_Fiscal.asp)
 - It is the GPD grantee's responsibility to ensure that all operational costs assigned to the grant are allowable and charged in accordance with GPD Program Regulations and the applicable Uniform Guidance

- GPD grantees must ensure accurate and timely completion of the [Federal Financial Report \(FFR\) SF 425](#)
- Follow all requirements listed in the NOFO under which the grantee applied
 - Links to all applicable regulations are available on our [website](#)
- Ensure all dwellings pass applicable [inspections](#): It is important to note that GPD rules and regulations require that projects adhere to the LSC of the NFPA, as well as other federal, local, or state codes/laws
 - At times these codes may conflict
 - More rigorous federal laws and regulations usually take supremacy to less stringent state and local laws
 - If state or local codes are more stringent than the federal requirement, they usually must be followed

Drawing Capital Grant Funds, Closing Out the Grant, and Becoming Operational

Several activities need to be coordinated before a grantee may fully operationalize their capital grant awards. Grantees must ensure they have: a Health and Human Services account with which to receive payments; approval of their capital project from VA Office of Construction and Facilities Management; elements in place needed to draw funds; completed grant closeout procedures; and passed all necessary inspections. Please work through the sections below to ensure all necessary steps are in place.

Health and Human Services (HHS), Division of Payment Management System (DPM)

Grantees should ensure that, in October 2021, they have an active HHS DPM account. Capital payments are paid by the GPD National Program Office through the HHS DPM system. To request new access to the Payment Management System, please visit the [GPD Fiscal webpage](#) to find the correct link to HHS.

For new users to the Payment Management System, follow the instructions for requesting access at <https://pms.psc.gov/grant-recipients/access-newuser.html>

For users that already have access to the Payment Management System and need to add a new grant award, please log into the Payment Management System and enter the request to update their access. The instructions can be found at the following URL: <https://pms.psc.gov/grantors/access-changes.html>

If an agency needs its Payee Account Number during the registration process, please email GPDFiscal@va.gov with the project's Federal Award Identification Number (FAIN).

VA Office of Construction and Facilities Management (OCFM)

Before the GPD National Program Office may release funds, grantees must receive approval from VA OCFM. OCFM will conduct a technical compliance review ensuring the capital project adheres to regulations. Grantees and liaisons should carefully read the GPD regulations, particularly [Subpart B - § 61.11 and Capital Grants § 61.15 Capital grants - obtaining additional information and awarding capital grants](#). In addition to other requirements (e.g. an environmental site assessment, floor plans, etc.), considerations and compliance must be met in relation to the following:

- National Historic Preservation Act (36 CFR Part 800)
- Architectural Barriers Act Accessibility Standards and the Americans with Disabilities Act Accessibility Guidelines
- Life Safety Code (LSC) of the National Fire Protection Association (NFPA)
- National Environmental Policy Act (38 CFR 26)

OCFM may ask grantees for additional information and/or a supplemental checklist to assess the scope of the capital project and to expedite approval processes. Grantees should be prepared to provide third-party documentation upon request (e.g. a plan from an architect, contractor, or other building professional, including estimated costs for the proposed design). Please note, guidance and policies may change.

- **Update, September 8, 2021: Grantees must complete the Design/Construction Questionnaire and [return it to OCFM](#) by **September 22, 2021**. This was sent to grantees via email from Chelsea Watson on September 7, 2021. Please contact the GPD National Program Office if a copy is needed.**

A kick-off webinar with OCFM will be hosted by the GPD National Program Office to introduce all grantees and VA liaisons to the OCFM review process. T

- **Update, September 10, 2021: (The previous calendar invitation created September 7th has been replaced.) The OCFM webinar will be held, **Wednesday, October 6, 2021 at 2pm EST** (90 minutes): When it is time on October 6, click on the WebEx link, [GPD-VA OCFM Kickoff webinar](#) or join by **phone: 1-404-397-1596; access code: 2763 300 7630**.**



Webex_Meeting.ics

It is recommended that VA liaisons and grantees retain all documentation of OCFM and [inspection approvals](#) in the administrative files.

Payment Information

Site Control

Prior to release of capital payments, grantees must demonstrate that they will have site control for at least the minimum period during which the [recovery provisions](#) are in effect ([38 C.F.R. 61.67](#)).

Site control must be demonstrated through a deed, an executed contract of sale, or a capital lease assigning control or ownership to the entity whose Data Universal Numbering System and Employer Identification Number (or Unique Entity Identifier) are on the grant application and on the grant agreement and as described in 38 C.F.R. 61.17.

A capital grant recipient may change the site to a new site meeting the requirements of this part subject to VA approval under § 61.62. However, the grantee is responsible for and must demonstrate ability to provide for any additional costs resulting from the change in site.

If site control is not demonstrated within one year after execution of an agreement under § 61.61, the grantee may request a reasonable extension from the VA national GPD office, or the grant may be terminated. VA will authorize an extension request if the grantee was not at fault for being unable to exercise site control and the lack of site control does not affect the grantee's ability to complete the project.

Funding Draws

The steps for obtaining reimbursements include are

- 1) Requesting funds through [HHS DPM](#); and
- 2) Emailing the completed SF 270s or SF 271s with the corresponding invoices and supporting documentation to GPDFiscal@va.gov.

The GPD Program Office then reviews request and releases funds, normally within 10 business days.

Advances are only authorized for acquisition and must be expended within three business days. Advances are intended only for immediate use. For advances for acquisition, grantees are required to provide the HUD settlement statement within 10 business days of closing. Per 38 CFR (61.12 (e)), applicants must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 –4655), as applicable.

Matching Funds

Although the NOFO did not require matching capital funds, grantees who proposed projects with costs more than the funding provided by GPD must demonstrate that supplemental funds are secured prior to the release of VA capital funding.

Davis-Bacon Act (Locally Prevailing Wages)

In general, as stated in the [Appendix II to 2 CFR Part 200](#), the Davis-Bacon Act ([40 U.S.C. 3141-3148](#)) applies only “when required by Federal program legislation.” GPD’s program legislation does not require the Davis-Bacon Act; therefore, it is not a requirement of GPD funding. *However, each grantee is responsible for evaluating their circumstances and for ensuring compliance with all applicable requirements.* For example, GPD grantees would need to comply with the Davis-Bacon Act if other funding sources require it.

GPD grantees are reminded to review and comply with all applicable subaward and contracting requirements, such as those stated in the GPD regulations ([38 CFR part 61](#)), relevant NOFOs, the grant agreement, and in [2 CFR 200](#) (e.g. §200.310-327 and §200.331-333).

Itemized Cost Documentation

At any time, including prior to payment, VA reserves the right to request documentation for any item of cost, including those that are more than \$10,000 per unit. Grantees are advised to keep careful records, including documentation of cost calculations (e.g., itemized invoices) and cost reasonableness (e.g., real estate comparables). Grantees are advised to keep documentation of any voluntary leveraged funding from other sources, if applicable.

Capital Grant Closeout

Closeout Reporting

The steps to close out the capital grant include the following federal reporting requirements:

- Final FFR SF 425 is due within 120 days of the grant end date
- Refer to the terms and conditions of the grant agreement for other closeout requirements and ongoing requirements after closeout (e.g., audit, recovery provisions, maintaining an active PDO grant associated with the beds improved under a capital NOFO)
 - Applicants may refer to the GPD website for a sample of the standard terms and conditions of award
- Even after the capital grant is complete, grantees must apply for and be selected to receive a PDO grant from GPD on a regular basis (e.g. usually every three years) until at least the minimum period of operation is met (see table in 38 C.F.R. 61.67)
 - Applicants who do not apply for, or are not selected to receive a PDO grant, will owe a prorated amount of the capital grant back to the federal government
- Fiscal reporting is based on the federal fiscal year; October 1 to September 30
 - All Providers are required to complete the FFR SF 425 on an annual basis for each FAIN
 - Annual FFRs are due no later than 90 days after the end of the federal FY (September 30)
 - If the GPD grantee withdraws from the grant or is terminated, a final FFR will be due
 - The final FFR is due no later than 120 days after the date of withdrawal or termination
 - If the grantee's agency has overages, DO NOT include a check with the FFR
 - If the FFR indicates funding is due to be returned, our office will initiate a formal Notice of Indebtedness with instructions on how and where to send payment or request waivers of debt

Inspections & Reviews

Inspection procedures are comprehensive reviews conducted by VAMC teams and informed by GPD regulations. It is essential that all areas of the LSC of the NFPA are met. All facilities constructed or renovated with capital funds must pass GPD inspection conducted by the VAMC inspection team.

Upon the conclusion of the capital grant process, at minimum, the GPD liaison and the VAMC Facilities Management team will confirm that the new or modified space conforms to all necessary construction and safety requirements [included in the CFM section](#), and ensure all beds developed with capital funds are as promised in the original capital grant application, both in number and configuration. Any member of the VAMC GPD inspection team may perform or participate in a final capital inspection.

If the GPD space created with capital funds is in a brand-new location that was not previously subject to VA GPD annual inspection during the last fiscal year review cycle, the new site must also pass the regular VA GPD annual inspection. Both GPD capital and annual inspection forms must be completed.

The GPD National Program Office will develop an inspection form unique to capital grants. That form will be forthcoming, and grantees and liaisons will be updated when it is available.

When applicable inspections are completed, signed by the local VAMC director, and sent to the GPD National Program Office, the GPD grantee will receive [an activation date](#). This date will information inform the agency's grant [performance period](#).

Continuity of PDO Operations

Performance Metrics

Performance will be measured against the commitment written in the GPD grantee's application regarding:

- Number of GPD beds in shared rooms is decreased
- Number of GPD beds in a private room with a private bathroom is increased

Grants that do not meet the performance measures and/or that do not maintain occupancy of the awarded bed numbers are subject to bed number reductions, award termination or other remedies at VA's discretion. All required performance reporting for the associated PDO grant remains in effect and is communicated under the PDO FAIN and PDO grant agreement.

Please ensure also thoroughly review the [Capital Grant Recovery Requirements](#) section.

Grant Compliance & Reporting

It is very important that if no one in the grantee's agency has expertise in meeting federal grant compliance requirements, professional grant management services are retained.

All Grant and Per Diem grant recipients are subject to audits to ensure regulatory compliance [please see Office of Management and Budget Uniform Guidance ([2 CFR Part 200](#))]. Working closely and proactively with the GPD liaison and the GPD National Program Office can help to clarify operational roles and address any problems before they become issues of noncompliance.

It is important to realize that because these capital grants are funded with CARES Act and ARP monies, grantees can expect additional reporting and monitoring beyond the normal requirements. As requirements become available from Congress, OMB, VA, or others, they will be widely communicated. Grantees should monitor the GPD website (<https://www.va.gov/homeless/gpd.asp>) and the GPD provider website (https://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp) at all times during which they have an active GPD grant or an application under consideration.

Grant Performance Period

Activation Date

The activation date is the day the capital grant inspection is approved, and if applicable, a full GPD inspection is completed and passed if it is a new site, and the GPD Program Office sends the VAMC a notice of activation. The activation date should not be confused with the award date (e.g. October 1, 2021 for capital grants funded through the CARES Act).

Reporting Required for Activation

Completion of the capital grant-funded project will be evidenced by

1. Documentation provided by the local VAMC to the GPD National Program Office that the capitally improved space passed a VA inspection specific to capital grants;

Note: Any newly acquired spaces that have not previously passed a GPD annual inspection [must also pass the VA annual inspection](#);

2. A final capital grant inspection submitted to the GPD National Program Office confirming that all work described in the application is complete, the final number of GPD beds in shared/congregate rooms was reduced, and the final number of individual unit-style GPD beds with a private bathroom was increased; and

Note: After the capital project is completed, if a previous and unrenovated space will no longer be used for GPD beds, the expectation is that GPD homeless Veterans cannot be placed again in the unrenovated space unless it is first improved consistent with (or better than) the standards described in the NOFO;

3. An [activation date](#) provided to the capital grant recipient from the GPD National Program Office.

Capital Grant Recovery Requirements

Grantees are subject to the recovery provisions of [38 C.F.R. 61.67](#). VA will seek recovery for awarded capital grant funds on a prorated basis if, at any time during the minimum operational period, a grantee no longer has an active GPD PDO grant and/or if a grantee does not maintain bed numbers.

Applicants should become familiar with the amount of time the PDO project must operate to avoid capital grant repayments. Operational time for these grants will begin on the [activation date](#) (i.e., not the award date, but the date GPD approves activation after project completion).

The following table summarizes the minimum operational period based on the amount of the capital grant. Bed numbers associated with this capital grant are expected to be maintained during the minimum operational period. Applicants who receive capital funding must refer to 38 C.F.R. part 61 during the life of their GPD grants for the most up-to-date information.

Grant amount (dollars in thousands)	Years of operation
0-250	7
251-500	8
501-750	9
751-1,000	10
1,001-1,250	11
1,251-1,500	12
1,501-1,750	13
1,751-2,000	14
2,001-2,250	15
2,251-2,500	16
2,501-2,750	17
2,751-3,000	18
Over 3,000	20

Table 1: Prorated (partial) recovery of capital grants

If the capital improvement project involves selling, transferring or otherwise ending use of a facility that was previously funded from a GPD grant (e.g., a GPD capital grant awarded in 2021, or awarded in 2013 or earlier), the recovery provisions of 38 C.F.R. 61.67 may be applied to the past GPD capital grant and a repayment may be required.

In response to the national emergency due to COVID-19, the OMB real property and equipment disposition requirements (2 CFR 200.311(c) and 2 CFR 200.313(e)) are not applicable to capital grants awarded under these capital NOFOs (per Public Law 116-315, section 4201(b)(6)).

Corrective Action

VA reserves the right to recover from the grant recipient all grant amounts provided for the project if, after three years after the date of an award of a capital grant, certain conditions are not met as described in [38 C.F.R. 61.67\(a\)](#).

Reference Documents

Original NOFOs & Fiscal Information

Please see our websites

- <https://www.va.gov/HOMELESS/GPD.asp>
- https://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp
- https://www.va.gov/HOMELESS/GPD_Fiscal.asp

Applicable Federal Regulations

- Funding applied under Capital Grant NOFOs is authorized by 38 U.S.C. 2011, 2012
- All grantee must read, review, and comply with all applicable regulations in [38 CFR Part 61](#)
 - Code of Federal Regulations: <https://ecfr.federalregister.gov/current/title-38/chapter-I/part-61?toc=1>

FY 2022 GPD PDO, TIP, and Special Need Grant Recipient Guide

Please see our website

- https://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp